

**United States Bankruptcy Court
for the District of Oregon**

Frank R. Alley, III, Chief Judge

Barbara D. Ivey, Judicial Assistant

Lee D. Brice, Law Clerk



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August 12, 2013

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Grants Pass, OR 97526

RE: Case No. 13-62313-fra11 WILLIAM & BAMBI DAY
Debtors' Notice of Intent to Abandon

Dear Counsel:

The Court has reviewed the Debtors-in-Possession's notice of intent to abandon five pieces of heavy equipment (Docket #35) and the objection of Bank of the Cascades, which I understand holds a security interest in the subject property (#41).

The Debtors listed the subject property on Schedule B accompanying their petition. Bank of the Cascades asserts that the property belongs to a business corporation wholly owned by the Debtors, and is therefore not property of the estate. The bank objects to the Debtors' notice "to the extent that any action or inaction thereon might prejudice Cascades' ability to argue that the Property is not property of the bankruptcy estate."

Assets of the estate may be abandoned pursuant to Code § 554. Abandonment is permitted where the asset is burdensome to the estate or is of inconsequential value and benefit to the estate. An order permitting abandonment of an interest in an asset, however tenuous, establishes only that the asset is of no value to the estate. More to the point: abandoning the property has the effect that it is no longer property of the estate, which should lay to rest Cascades' concern that the Debtors may thereafter argue something to the contrary.

The objection is overruled. Assuming no further objections are filed, counsel for the Debtors-in-Possession should submit a form of order authorizing the proposed abandonment on

Mr. Peenesh Shah and Ms. Kendell Ferguson
Case No. 13-62313-fra11 WILLIAM & BAMBI DAY
August 12, 2013
Page - 2

August 27th. The foregoing constitutes the Court's findings and conclusions; however this communication is not intended for publication.

Very truly yours,

A handwritten signature in black ink, appearing to read "F. Alley", with a stylized flourish at the end.

FRANK R. ALLEY, III
Chief Bankruptcy Judge

FRA:bdi